

# SENATE BILL 16

C8, M4, M1

3lr3551

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By: **Senators Pipkin and Kittleman**

Introduced and read first time: August 9, 2012

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Agricultural and Resource–Based**  
3 **Industry Development Corporation – Agricultural Grant Program**

4 FOR the purpose of establishing the Agricultural Grant Program; specifying the  
5 purpose of the Program; requiring a grant applicant to meet certain eligibility  
6 requirements; requiring the Maryland Agricultural and Resource–Based  
7 Industry Development Corporation and the Corporation’s Board of Directors to  
8 develop the Program; requiring the Corporation to administer the Program;  
9 requiring a grant applicant to submit certain information in the grant  
10 application; requiring the Corporation to consider certain factors when  
11 awarding a grant; specifying that a grant from the Program may be used for  
12 certain purposes; prohibiting a grant from the Program to be used for certain  
13 purposes; limiting the amount of a grant awarded under the Program;  
14 authorizing the Corporation to limit the amount of funding awarded to a single  
15 project; specifying the source of Program funding; requiring that certain  
16 information be included in the Corporation’s annual report; requiring the  
17 Secretary of Business and Economic Development to adopt certain regulations;  
18 altering the amount of the annual appropriation for the Corporation for certain  
19 fiscal years; defining certain terms; and generally relating to the Agricultural  
20 Grant Program and the Maryland Agricultural and Resource–Based Industry  
21 Development Corporation.

22 BY adding to  
23 Article – Economic Development  
24 Section 10–520.1  
25 Annotated Code of Maryland  
26 (2008 Volume and 2011 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – Economic Development  
29 Section 10–523(a)(3)(i)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2008 Volume and 2011 Supplement)  
3 (As enacted by Chapter 1 of the Acts of the General Assembly of the First  
4 Special Session of 2012)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article – Economic Development**

8 **10–520.1.**

9 (A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (1) “PROJECT” MEANS THE ACTIVITY THAT A GRANT WILL BE  
12 USED TO FUND.

13 (2) “VALUE-ADDED AGRICULTURAL PRODUCT” MEANS AN  
14 AGRICULTURAL PRODUCT THAT:

15 (I) HAS UNDERGONE A CHANGE IN PHYSICAL STATE;

16 (II) WAS PRODUCED IN A MANNER THAT ENHANCES THE  
17 VALUE OF THE AGRICULTURAL COMMODITY OR PRODUCT;

18 (III) IS PHYSICALLY SEGREGATED IN A MANNER THAT  
19 RESULTS IN THE ENHANCEMENT OF THE VALUE OF THE AGRICULTURAL  
20 PRODUCT;

21 (IV) IS A SOURCE OF RENEWABLE ENERGY; OR

22 (V) IS AGGREGATED AND MARKETED AS A LOCALLY  
23 PRODUCED AGRICULTURAL PRODUCT.

24 (B) (1) THERE IS AN AGRICULTURAL GRANT PROGRAM.

25 (2) THE PURPOSE OF THE PROGRAM IS TO ENCOURAGE  
26 AGRICULTURAL PRODUCERS TO PRODUCE A VALUE-ADDED AGRICULTURAL  
27 PRODUCT OR TO INSTALL A PROCESSING OPERATION FOR MARYLAND-GROWN  
28 PRODUCTS.

1           **(C) (1) TO BE ELIGIBLE FOR A GRANT FROM THE PROGRAM, AN**  
2 **APPLICANT SHALL PRODUCE A VALUE-ADDED AGRICULTURAL PRODUCT OR**  
3 **INSTALL A PROCESSING OPERATION FOR MARYLAND-GROWN PRODUCTS.**

4           **(2) AN APPLICANT FOR A GRANT SHALL INCLUDE THE**  
5 **FOLLOWING INFORMATION ON THE GRANT APPLICATION:**

6                   **(I) A DESCRIPTION OF THE SCOPE AND PURPOSE OF THE**  
7 **PROPOSED PROJECT;**

8                   **(II) THE ESTIMATED PERCENT INCREASE THAT THE**  
9 **PROJECT WILL CREATE IN THE NUMBER OF MARYLAND AGRICULTURAL**  
10 **PRODUCTS GROWN OR PRODUCED; AND**

11                   **(III) ANY OTHER INFORMATION REQUIRED BY THE**  
12 **CORPORATION.**

13           **(D) THE CORPORATION SHALL:**

14                   **(1) DEVELOP THE PROGRAM IN CONSULTATION WITH THE**  
15 **CORPORATION'S BOARD OF DIRECTORS; AND**

16                   **(2) ADMINISTER THE PROGRAM.**

17           **(E) THE CORPORATION SHALL TAKE THE FOLLOWING FACTORS INTO**  
18 **CONSIDERATION WHEN AWARDING A GRANT:**

19                   **(1) THE ANTICIPATED NUMBER OF JOBS CREATED;**

20                   **(2) THE ANTICIPATED ADDITIONAL STATE TAX REVENUE**  
21 **EXPECTED TO ACCRUE TO THE STATE AS A RESULT OF THE CAPITAL**  
22 **INVESTMENT AND JOBS CREATED;**

23                   **(3) THE ANTICIPATED NUMBER OF MARYLAND-GROWN OR**  
24 **MARYLAND-PRODUCED AGRICULTURAL PRODUCTS TO BE USED BY THE**  
25 **PROJECT;**

26                   **(4) THE ANTICIPATED IMPACT ON AGRICULTURAL PRODUCERS;**

27                   **(5) AN ANALYSIS OF THE RETURN ON INVESTMENT TO**  
28 **DETERMINE THE APPROPRIATE SIZE OF THE GRANT;**

1           **(6) AN ANALYSIS OF THE IMPACT ON COMPETING BUSINESSES**  
2 **ALREADY LOCATED IN THE AREA; AND**

3           **(7) THE GEOGRAPHIC LOCATION OF THE PROJECT.**

4           **(F) (1) A GRANT FROM THE PROGRAM MAY BE USED FOR:**

5                   **(I) PUBLIC OR PRIVATE UTILITY EXTENSION OR CAPACITY**  
6 **DEVELOPMENT ON- OR OFF-SITE;**

7                   **(II) PUBLIC OR PRIVATE INSTALLATION, EXTENSION, OR**  
8 **CAPACITY DEVELOPMENT OF HIGH-SPEED OR BROADBAND INTERNET ACCESS**  
9 **ON- OR OFF-SITE;**

10                   **(III) ROAD, RAIL, OR OTHER TRANSPORTATION ACCESS**  
11 **COSTS BEYOND THE FUNDING CAPABILITY OF EXISTING PROGRAMS;**

12                   **(IV) SITE ACQUISITION;**

13                   **(V) GRADING, DRAINAGE, PAVING, OR ANY OTHER ACTIVITY**  
14 **REQUIRED TO PREPARE A SITE FOR CONSTRUCTION;**

15                   **(VI) CONSTRUCTION OR BUILD-OUT OF PUBLICLY OR**  
16 **PRIVATELY OWNED BUILDINGS; OR**

17                   **(VII) TRAINING.**

18           **(2) A GRANT FROM THE PROGRAM MAY NOT BE USED TO:**

19                   **(I) PAY OR GUARANTEE THE PAYMENT FOR A RENTAL,**  
20 **LEASE, LICENSE, OR OTHER CONTRACTUAL RIGHT TO THE USE OF PROPERTY;**  
21 **OR**

22                   **(II) PAY FOR A PROJECT IN WHICH A BUSINESS RELOCATES**  
23 **OR EXPANDS ITS OPERATIONS IN ONE OR MORE MARYLAND LOCALITIES WHILE**  
24 **SIMULTANEOUSLY CLOSING ITS OPERATION OR SUBSTANTIALLY REDUCING THE**  
25 **NUMBER OF ITS EMPLOYEES AT A DIFFERENT MARYLAND LOCALITY.**

26           **(G) (1) (I) A GRANT MAY BE FOR AN AMOUNT UP TO \$50,000.**

27                   **(II) THE CORPORATION MAY PLACE A CAP ON THE AMOUNT**  
28 **OF FUNDING PROVIDED TO A SINGLE PROJECT.**

1           **(2) THE GRANT SHALL BE FUNDED BY THE CORPORATION'S**  
2 **APPROPRIATED BUDGET UNDER § 10-523 OF THIS SUBTITLE.**

3           **(3) THE TOTAL GRANTS AWARDED IN A GIVEN FISCAL YEAR MAY**  
4 **NOT EXCEED THE AMOUNT APPROPRIATED TO THE CORPORATION FOR THE**  
5 **SAME FISCAL YEAR.**

6           **(H) THE ANNUAL REPORT REQUIRED UNDER § 10-527 OF THIS**  
7 **SUBTITLE SHALL INCLUDE THE FOLLOWING INFORMATION FOR EACH GRANT**  
8 **AWARDED DURING THE PREVIOUS YEAR:**

9           **(1) THE NAME OF THE GRANT BENEFICIARY AND THE TYPE OF**  
10 **BUSINESS THE GRANT BENEFICIARY ENGAGES IN;**

11           **(2) THE LOCATION OF THE PROJECT;**

12           **(3) THE AMOUNT OF THE GRANT AWARDED BY THE**  
13 **CORPORATION;**

14           **(4) THE AMOUNT OF ALL OTHER FUNDS COMMITTED BY THE**  
15 **STATE AND A DESCRIPTION OF HOW THOSE FUNDS WILL BE USED;**

16           **(5) THE ESTIMATED NUMBER OF JOBS CREATED;**

17           **(6) THE ESTIMATED PERCENT INCREASE THAT THE PROJECT HAS**  
18 **CREATED IN THE NUMBER OF MARYLAND AGRICULTURAL PRODUCTS GROWN**  
19 **OR PRODUCED;**

20           **(7) THE PROJECTED IMPACT ON AGRICULTURAL PRODUCERS;**

21           **(8) THE TIMETABLE FOR THE COMPLETION OF THE PROJECT;**

22           **(9) THE PREVAILING AVERAGE WAGE; AND**

23           **(10) THE PROJECTED AVERAGE WAGE FOR THE JOBS CREATED.**

24           **(I) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**  
25 **SECTION.**

26 10-523.

27           (a) (3) (i) To assist the Corporation in complying with subsection (c) of  
28 this section, the Governor shall include each year in the State budget bill an

1 appropriation to the Corporation for rural business development and assistance [as  
2 follows:

- 3 1. for fiscal year 2011, \$2,750,000;
- 4 2. for fiscal year 2012, \$2,750,000;
- 5 3. for fiscal year 2013, \$2,875,000;
- 6 4. for fiscal year 2014, \$2,875,000; and
- 7 5. for each of the fiscal years 2015 through 2020,  
8 \$4,000,000] **FOR EACH OF FISCAL YEARS 2014 THROUGH 2020 IN THE AMOUNT**  
9 **OF \$10,000,000.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2013.